85-1807 (1)

Supreme Court, U.S.
FILED
APR 28 1986
JOSEPH F. SPANIOL, JR.
CLERK

NO. _____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1985

LUCJAN ZLOTNICKI
(Defendant) PETITIONER

V.

HARSCO CORPORATION
(Plaintiff)

PETITION FOR A WRIT OF CERTIORARI
TO THE THIRD CIRCUIT COURT OF APPEALS

Petitioner's
Counsel of Record:

LAWRENCE CORSON, ESQUIRE
ROBERT B.B. SCHATZ, ESQUIRE
Suite 300
1819 John F. Kennedy Blvd.
Philadelphia, PA 19103

Date: April 23, 1986

74 pp

QUESTIONS PRESENTED

Whether the failure of the courts below to take as true, for the purposes of a Summary Judgment Motion, Petitioner's (non-movant's) Statement of Material Facts and Affidavit violated Zlotnicki's constitutional rights to equal protection under the law, to due process of the law, and to a jury trial by departing from well established principles controlling the basis for Summary Judgment?

Whether an employer has the right to compel an employee,by threats of termination of employment, to promise to assign employee's private property vested in an invention and a patent, made outside of employment place and time, without use of employer's information or property of any kind, without any duty to design or invent, and which was disclosed to employer without duty to do so; and if such promise was exacted, in form of what is standard pre-employment agreement with reservations attached, without naming

the invention and was signed 15 months after hire and 7 months after invention was disclosed for which no other consideration was given but removal of the threat and employee was terminated from employment one month later, whether the court properly granted Summary Judgment enforcing the agreement without considering the equities involved?

Whether granting of specific performance by Summary Judgment of an agreement to assign inventions as between employer and employee and as one involving important public policy and employee's constitutional rights, is proper, when the granting of specific performance is not of right but by grace of the Court, and it has been held that Summary Judgment granting specific performance can never be proper, in Seaboard Surety Co. v. Racine Screw Co., 203 F.2d 532 (7th Cir., 1953)?

SUBJECT INDEX

Subject Index.....p. i

Table of Authorities.....p. iii

Questions Presented.....p. 1

Opinions Below.....p. 3

Jurisdiction.....p. 3

Constitutional Provisions.....p. 3

Statement.....p. 4

Argument.....p. 16

Appendix (A-R) in Separate Volume

Appendix A.....1
Sur Petition for Rehearing, 3d Cir.
January 23, 1986

Appendix B.....3
Opinion, 3d Cir.
December 17, 1985

Appendix C.....16
Memorandum and Order, D.C.
February 13, 1985

Appendix D.....45
Memorandum and Order, D.C.
November 27, 1984

Appendix E.....59
Memorandum and Order, D.C.
August 30, 1983

Appendix F.....71
Memorandum and Order, D.C.
May 4, 1983

Appendix G.....101
Affidavit of Defendant
August 25, 1983

Appendix H.....126
Affidavit of Defendant
December 14, 1984

Appendix I.....131
Memorandum and Order, Commonwealth Ct. of Pennsylvania
December 9, 1985

Appendix J.....152
Plaintiff's Statement of Facts
October 15, 1984

Appendix K.....158
Defendant's Statement of Facts
November 7, 1984

Appendix L.....168
Defendant's Statement of Facts
November 8, 1984

Appendix M.....171
Plaintiff's Statement of Facts
November 21, 1984

Appendix N.....173
Harsco Standard Agreement

Appendix P.....177
Zlotnicki's attachment to Harsco Agreement

Appendix R.....182
Rotary Lift Co. v. Clayton
127 F.Supp. 176-179 (D.C.Mass. 1954)

NOTE: There are no letters O and Q. In the Petition references are made to appendices by App. and letter and page in the letter appendix or section number.

TABLE OF AUTHORITIES

CASES CITED	PAGE
Association for Reduction of Violence v. Hall, 734 F.2d 63 (1st Cir. 1984)	22
Brown v. Caterpillar Tractor Co., 696 F.2d 246 (3d Cir. 1982)	18,42
Burns Manufacturing Co. v. Bohem, 356 A.2d 763 (Pa. 1976)	54
Capitol Bakers, Inc. v. Townsend, 426 Pa. 188, 231 A.2d 292 (1967)	41
Cirput v. Moore, 540 F. Supp. 817 (E.D. Pa. 1981)	17
Ely v. Hills Motor Transit Co., 590 F.2d 62,(3d Cir. 1978)	18,42
Frey v. Woodard, 565 F.Supp. 389 (E.D. Pa., 1983)	17
Goodman v. Mead Johnson & Co., 534 F.2d 566, 573 (3d Cir. 1976), cert. denied 429 U.S. 1038 (1977)	18
Harsco v. Zlotnici, Civil Action 83-0384, Memorandum Opinion Filed August 30, 1983	19
Hewett v. Samsonite Corp., 507 P.2d 1119, 1121 (Colo. App. 1973)	39
Hirshhorn v. Mine Safety Appliances Co, 106 F. Supp. 594 (W.D.Pa., 1952), aff'd, 203 F.2d 279, cert. denied 349 U.S. 866 (1953)	55
In re: Japanese Electronic Products, 723 F.2d 238, 257 (3d Cir. 1983)	16

Knoll v. Springfield Township School District, 699 F.2d 137 (3d Cir. 1983) 18

Koolvent Metal Awning Corp. v. Vamco Machine Co., 99 Pitts. L.J. 354 (C.P. 1951) 45

Lock Joint Pipe Co. v. Melber, 234 F 319, 324 (CA 3, 1916) 57

Lubrecht v. Laurel Stripping Co., 42 Luz.L.Reg. 203 (1952) 37

Maintenance Specialties, Inc. v. Gottus, 314 A.2d 279 (Pa. 1967) 41

Markson Brothers v. Redick, 66 A.2d 218 (Pa. Super, 1949) 38,39

McNulty v. Borden, Inc., 474 F. Supp. 1111 (E.D.Pa., 1979) 37

Monsanto Chamical Works v. Jaeger, 31 F.2d 188 (W.D.Pa., 1929) 62

Morgan's Home Equipment Corp. v. Martucci, 390 Pa. 618, 136 A.2d 838 (1957) 40

Mosser Industries, Inc. v. Hagar, 200 U.S.P.Q. 608 (C.P. Lehigh, 1978) 31

Peterson v. Lehigh Valley District Council, 676 F.2d 81 (3d Cir. 1982) 17

Pickens v. Cunningham, 22 Pa. D&C 3d 40, 45 (C.P. Mercer,1981) 60

Perry , Trusts and Trustees (7th Ed.), Sec. 116, p. 267 30

Pressed Steel Car Co. v. Hansen, 137 F. 403 (3d Cir.), cert. denied, 199 U.S. 608 (1905) 55

Rotary Life Co. v. Clayton, 127 F.Supp. 176 (D.C. Mass., 1954) 54,56,61,62, App. R

Seaboard Surety Co. v. Rocine Screw Co. 203 F.2d 532 (7th Cir. 1953) 2

Sloanaker v. P.G. Pub. Co., 338 Pa. 292, 13 A.2d 48, 50 (1940) 60

Solomons v. U.S., 137 U.S. 342 (1890) 29

Stauffer v. Stauffer, Pa , 347 A.2d 707 (1975) 31

Tomalewski v. State Farm Life Insurance Co., 494 F.2d 882 (3d Cir. 1974) 17

Triumph Electric Co. v. Thullen, 228 F. 762 (E.D.Pa,) aff'd 235 F. 74 (3d Cir., 1916) 63

U.S. v. Dubilier Condenser Corp., 289 U.S. 178 (1933) 29

White Heat Products Co. v. Thomas, 266 Pa. 551, 555 (1920) 54,61,66

Wimer v. Overseers, 104 Pa. 317, 320-321 (1883) 38

W.N.O.W., Inc. v. Barry, et al, 77 York L. Rec. 174 (C.P. York, 1964) 38

Zanghi v. Incorporated Village of Old Brookville, 752 F.2d 42 (2d Cir. 1985) 20

OPINION BELOW

The Opinion and rehearing denial of the Third Circuit of Appeals and Opinions of the District Court and Opinion of Commonwealth Court of Pennsylvania are contained in the Appendix hereto (Appendicies A-F and I, infra).

JURISDICTION

The Petition for Rehearing was timely filed and denied by the Third Circuit Court of Appeals on January 23, 1986. This petition was filed within 90 days of that date. Rehearing was sought from the Court's Opinion issued on December 17, 1985, granting and affirming Summary Judgment for Harsco Corp. (Movant).

The Supreme Court's jurisdiction is invoked under Article III, Sec. 1 and Sec. 2(1) of the Constitution; 28 U.S.C. Sec. 1332(a)(2); U.S. Supreme Court Rule 17.1(a); and 28 U.S.C. 1254(1).

CONSTITUTIONAL PROVISIONS

ARTICLE 1, Section 8, Clause 8:

The Congress shall have Power to Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

AMENDMENT V:

No person shall be ... deprived of property, without due process of law; nor shall private property be taken for public use without just compensation.

AMENDMENT VII:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved ...

AMENDMENT XIV, Section 1:

... No State shall ... deprive any person of ... property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

STATEMENT

PROCEDURAL STATEMENT:

The federal jursidiction is based on 28 U.S.C., Sec. 1332 (a)(2). A jury trial was demanded.

On March 14, 1983, Zlotnicki filed an application for a patent on his invention of a 4-Bar Bridge Launch Mechanism, and received Patent #4,510,637 on April 16, 1985. All costs were paid by Zlotnicki.

On March 23, 1983, Harsco filed an application for a patent on Zlotnicki's invention without his knowledge.

Zlotnicki was fired summarily by Harsco on March 24, 1983.

On March 24, 1983, a Temporary Restraining Order was entered. On March 31, 1983, Harsco filed a Complaint for Declaratory Judgment and Injunctive Relief to obtain the invention and to enjoin Zlotnicki from his use of his own invention.

On April 4, 1983, Harsco filed a Motion for Preliminary Injunction. On April 22,

1983, a hearing was held before Sylvia H. Rambo, J. On May 4, 1983, an Order signed by R. Dixon Herman, J., granted the Preliminary Injunction and stated that the Agreement would probably fail for lack of consideration.

Harsco filed a Motion for Summary Judgment based upon the employer-employee relationship, and by Order dated August 30, 1983, the Court denied this Motion because of a dispute over Zlotnicki's employment duties and assignments.

The case was scheduled for trial by jury for August of 1984, but later was placed on the November trial list of William W. Caldwell, Jr., J., because Judges Rambo and Herman recused themselves.

On October 15, 1984, Harsco filed a second Motion for Summary Judgment alleging that the Agreement was enforceable. The case was moved to the December trial list and a Pre-Trial Conference was scheduled on November

29, 1984. Zlotnicki correspondingly, filed a Motion for Partial Summary Judgment alleging that the Agreement was unenforceable. Two days prior to the Pre-Trial Conference and before receiving Zlotnicki's Reply Brief, the Court granted Harsco's Motion and denied Zlotnicki's Motion without oral argument. On December 6, 1984, Zlotnicki filed a Motion for Reconsideration pursuant to F.R.C.P. 59(e), which was denied.

Thereafter, Zlotnicki timely filed an appeal to the Third Circuit Court of Appeals. The Court issued an Opinion on December 17, 1985, affirming judgment, and denied rehearing on January 23, 1986.

FACTUAL STATEMENT:

Lucjan Zlotnicki accepted a position with Harsco on October 6, 1981, relocating himself and ultimately his family to the York area from Philadelphia. He then became a U.S. Permanent Resident.

On November 2, 1981, he became a full-time employee with the title of "staff engineer". The terms of his employment (duties, salaries, benefits, hours of work and performance expectations) were fully discussed and negotiated. Research, designing and inventing were not part of his job. He was not presented with the company's Employee Agreement at the time he became a consultant or when he became a full-time employee. During employment, Zlotnicki was not assigned to any project or team that involved "concepting", "designing", "development" or "inventing".

In January 1982, the employer gave to Zlotnicki an Employee Agreement to sign. He refused, but made a proposed draft of that which he would agree to, and gave it to his employer for consideration. Zlotnicki was given the understanding that his proposal was under consideration, but he was unable to get any firm commitment. Correspond-

ingly, the employer did not press Zlotnicki for his signature.

In late July or early August 1982, Harsco became aware of a Request for Proposal (RFP) for a heavy assault bridge. Harsco did not build bridges nor did it build any devices to launch them. The RFP required a bridge longer than had previously existed. Israeli Military Industries (IMI) proposed a joint approach with Harsco in which IMI would design and build the bridge, and Harsco would respond to the RFP and make adjustments to the existing (L-Foot) Launch Mechanism used by the U.S. Army for over twenty years.

Zlotnicki, whose job duties only required him to do mathematical calculations, was requested to calculate whether an existng U.S. Army launcher, as-is, could carry the new bridge. He determined quickly, with a "moment" calculation, that such a combination would topple. Zlotnicki communicated

the result to Harsco, who directed him not to spend any more time on this subject.

When Zlotnicki left work on Friday, August 6, 1982, it was his understanding that Harsco would not respond to the proposal request because the concept of mounting an extended bridge and existing launcher on an Army vehicle would not work, and Harsco was not in the line of business which would enable it to create and build any mechanism that might work. He also knew that any new idea would not be responsive to the RFP because it did not call for any new ideas for launchers.

Independently, Zlotnicki, on Saturday and Sunday, August 7 and 8, 1982, at home, on his own time, with his own materials and nothing belonging to Harsco, created an invention which he called the 4-Bar Bridge Launch Mechanism. This mechanism was new and had the capability of being mounted on any support. See U.S. Patent #4,510,637.

On Monday, August 9, 1982, Zlotnicki disclosed his invention, which he had reduced to writing, to his employer. It was not until the second week of August 1982 that the actual RFP was obtained by Harsco whereupon it was learned that the deadline for submission of a concept for the bridge was extended. and Harsco decided to respond. At that time, and for the next 6 days, he tried to persuade Harsco to use his idea. Harsco rejected Zlotnicki's invention as not being responsive to the RFP. He was thereupon reminded again that he was not to become involved in this project unless requested.

During the third week of August 1982, an Israeli Colonel learned of Zlotnicki's invention and enthusiastically supported it.

Harsco then asked and Zlotnicki agreed to provide his invention to his employer with the understanding and upon assurance that his proposal for an Employee Agreement that he submitted in January 1982 would be

accepted by Harsco. His proposed Agreement differed from Harsco's by providing that for any assignment he would receive unspecified additional remuneration to be agreed upon, over and above his salary.

The response to the RFP was submitted in September 1982.

Zlotnicki made numerous inquiries concerning his proposed Employee Agreement and was informed that it was awaiting approval. To obtain a patent, Harsco suggested lawyers in Washington, D.C. Zlotnicki accepted that suggestion.

From November 1982 to February 1983, there were a series of administrative delays and unexplained mishaps on the part of Harsco concerning papers Zlotnicki had to prepare for the patent application.

On February 8, 1983, when Zlotnicki learned that Harsco had prepared illustrations of his invention which were to be publicly circulated, he notified his

superior by memo that any publication prior to obtaining a patent would defeat his right to a patent.

Upon learning of the U.S. Army's interest in Zlotnicki's invention, his superiors demanded a meeting on February 11, 1983, at which Zlotnicki was humiliated, harrassed and threatened with termination and deportation. He was ordered to sign the company Employee Agreement and attach his own Agreement, also signed, or be terminated. He was advised that such Agreement with reservations attached would be submitted as a package to the President of Harsco for consideration. After being forced to sign the Agreement and reservations on February 18, 1983, he heard nothing further from the patent attorney, nor did he hear about his reservations attached to the company Agreement. He prepared and filed a patent application on March 14, 1983. He continued to request information concering his proposal,

but received none. Thereafter, he requested a patent attorney to contact the President of BMY to negotiate the terms of Harsco's use of the invention and Zlotnicki's understanding that he was to receive some unspecified remuneration. The attorney's telephone calls to Harsco were uneffective. When the attorney suggested to Harsco that the Government ought to be informed that there appeared to be a dispute as to the title to the invention, the attorney was immediately invited to Harsco's headquarters on March 24, 1983. Harsco itself notified the Government about the dispute. The attorney expected to negotiate a resolution of this matter, but, upon arrival, was abruptly told that Zlotnicki had been terminated that very afternoon and that Judge Rambo was on the telephone waiting to speak to him about a Temporary Restraining Order.

The U.S. Government, in June/July 1983, i.e. three months after Zlotnicki's termin-

ation, awarded Harsco a contract to build Israeli bridge and Zlotnicki's launcher.

There is presently before the U.S. District Court for the Middle District of Pennsylvania, the case of Zlotnicki vs. Harsco Corp. and BMY, Civil Action No. 84-0405 which is a wrongful discharge action that has been Stayed by the District Court pending the outcome of this petition.

The Commonwealth Court of Pennsylvania, in a related case, found, based on facts presented substantially identical to those presented in Federal Courts, that one reasonable inference to be drawn was:

> "(Zlotnicki's) termination was not the result of claimant's misconduct but the culmination of a predeterminated course of action engaged in by Harsco to gain all rights to the devise and drive claimant from his livelihood." (App. I.20 n.10)

The full decision of the Court is attached in Appendix I.

ARGUMENT

The courts below abused their discretion and departed from well established precedents by not taking as true Zlotnicki's (non-movant) allegations, by not giving credence to non-movant's proferred material facts and by not viewing inferences drawn from the facts presented in a light most favorable to the non-moving party and therefore, the granting of Summary Judgment by the District Court and affirmance of that decision by the Court of Appeals for the Third Circuit is erroneous.

The Court's task is to determine whether:

> "The pleadings, depositions, answers to Interrogatories and admissions on file, together with the Affidavits, if any, show that there is no genuine issue as to any material fact and (whether) the moving party is entitled to a judgment as a matter of law."

F.R.C.P. 56(c), in Re: Japanese Electronic Products, 723 F.2d 238, 257 (3d Cir. 1983).

The Third Circuit has interpreted F.R.C.P. 56 on numerous occasions and the following general principles have emerged:

a) Summary Judgment shall not be granted where there is the slightest doubt as to the facts. Tomalewski v. State Farm Life Insurance Co., 494 F.2d 882 (3d Cir. 1974);

b) Summary Judgment is a drastic weapon which should only be used sparingly since it bars litigants from presenting their case to the jury. Frey v. Woodard, 565 F.Supp. 386 (E.D.Pa., 1983);

c) The burden is on the moving party to demonstrate that there are no genuine disputes as to either the material facts or the inferences to be drawn from such facts. Peterson v. Lehigh Valley District Council, 676 F.2d 81 (3d Cir. 1982);

d) Genuine issues of material fact are facts that may affect the outcome of the litigation. See Cirput v. Moore, 540 F.Supp. 817 (E.D.Pa. 1981);

e) The existence of disputed issues of material fact should be ascertained by resolving all inferences, doubts and issues

of credibility against the moving party. Ely v. Hills Motor Transit Co., 590 F.2d 62 (3d Cir. 1978); and

f) The Court's function in considering a Motion for Summary Judgment is not to determine what the facts may be, but whether any disputed material facts exist. Brown v. Caterpiller Tractor Co., 696 F.2d 246 (3d Cir. 1982); Knoll v. Springfield Township School District, 699 F.2d 137 (3d Cir. 1983).

It is well established in the Third Circuit that "in evaluating this motion the Court must take as true the non-movant's allegations and, when these assertions conflict with those of the movant, the former must receive the benefit of the doubt. Goodman v. Mead Johnson & Co., 534 F.2d 566, 573 (3d Cir., 1976) cert. denied 429 U.S. 1038 (1977). Inferences to be drawn from the underlying facts contained in the evidentiary sources submitted to the

trial court must be viewed in the light most favorable to the party opposing the motion." Harsco Corp. v. Zlotnicki, Civil Action 83-0384, Memorandum Opinion filed August 30, 1983 (Summary Judgment denied) (emphasis supplied)(App. E-2).

In the instant case Harsco's (App. J, M) and Zlotnicki's (App. K, L) versions of the material facts were substantially different, and yet, contrary to the mandates of the case law in the Third Circuit, all doubts were resolved in favor of Harsco depriving Zlotnicki of his right to equal protection under the law and his right to a jury trial, thus depriving him of his property and his exclusive rights without due process of law.

In this case disputes exist with regard to (a) job duties; (b) Harsco's line of business; (c) time, place and circumstance of conception and invention; (d) lack and failure of consideration for the signing of the Employee Agreement; (e) whether the

Employee Agreement covers Zlotnicki's invention; (f) whether the Employee Agreement consists of one or three pages and whether it is prospective or retrospective.

Yet the Court resolved all doubts in favor of Harsco, in spite of the fact that Harsco's attorney's unverified statements are not supported by the record, or by admissible evidence, which Zlotnicki's are. See, Zanghi v. Incorporated Village of Old Brookville, 752 F.2d 42 (2d Cir. 1985); R.F.C.P. 9(g).

As illustrated hereinafter by a comparison of Harsco's, Zlotnicki's, and the Court's positions on only a few items of contention, it becomes clear that the Court abused its discretion when it took it upon itself to determine what the facts were and failed to distinguish that there was dispute as to the material facts thus depriving Zlotnicki of his right to be protected by the law.

Of particular interest and importance is that the Commonwealth Court having substantially identical facts presented to it found that:

> "There is some controversy as to whether claimant was part of a team assigned to work on the U.S.-Israeli project and what his designated role was." (App. I-3).

JOB DUTIES

HARSCO'S POSITION ON JOB DUTIES:

Harsco's attorney's unverified contentions are at variance not only with Zlotnicki's, but with Harsco's own employees, including Zlotnicki's immediate superior, Mr. Richard Koster.

Harsco has stated that Zlotnicki was assigned as part of the nucleus of a team tasked with determining technical solutions to the RFP (App. J-#7), and that his invention was allegedly suggested by and resulted from work he was doing for Harsco. For this position, Harsco's attorney relied on statements made by

William Jairett during the preliminary injunction hearing - statements which were, in critical parts, based on hearsay information which would not have been admissible at trial and therefore should not be admissible for Summary Judgment purposes either. Assoc. For Reduction of Violence v. Hall, 734 F.2d 63 (1st Cir. 1984).

But, in his deposition, Richard Koster, Chief Engineer at BMY at the time of his deposition and Zlotnicki's immediate superior (Koster Dep. 18, 23) and in charge of the bridge RFP at the time in question (Koster Dep. 97, 101), contradicted Harsco's statement of material facts and supported Zlotnicki's by stating under oath and in the presence of all counsel that Zlotnicki was never directed or instructed to develop his idea by Harsco, or even to come up with a new idea for a launcher. (Koster Dep. 111-

118)[1]

It is to be noted that the name "launcher" has been bandied about as if one launcher were just like another - as if a bicycle and an automobile were the same because they were both vehicles which carried people - but there has been no showing by Harsco that they are in any way related. The U.S. Patent #4,510,637, issued to Zlotnicki, does not refer to the existing army launcher which Harsco was adapting (L-foot) for the purpose of the RFP. The reasonable inference is that Zlotnicki's invention was not a result of and was not suggested by

---

[1] The following testimony from Koster's deposition is illustrative:

Q. Was Lucjan ever directed before he gave the idea to you to develop a different idea?

A. No.

Q. Was he ever instructed to do that?

A. Not to my knowledge.

Koster deposition - p. 112.

Q. But he wasn't instructed to function with the development of a new idea, was he?

A. He was not specifically told, come up with a new idea for a launcher, no.

Koster deposition - p. 114-115.

work done on the existng launcher by anyone at Harsco.

ZLOTNICKI'S POSITION ON JOB DUTIES

Zlotnicki's position is that he was not hired to invent (App. G-#10, 15, 17, 22, 23, 24, 27, 33; App. H; App. I-7), not assigned to design a bridge launch mechanism (App. G-#26, 27, 28), was not assigned as part of the nucleus of a team tasked with determining technical solutions to the RFP (App. G-#26, 27, 28; App. K-#7), was not instructed to determine the feasibility of his idea (App. K-#8) (corroborated by the testimony of Koster, pp. 112-115), that the invention was not suggested by work Zlotnicki was doing for Harsco and that he "... did not spend one minute of the working day on..." invention. (App. G-#26-29; App. H.1-4; K-#10-12), was not instructed by Harsco to design, "concept" or invent a bridge launcher (App. G-#27; H.2-3), or anything else (App. G-#27,33; H-3; Koster

Dep. 114-115), was not assigned to a team of engineers which worked on a bridge launcher (App. G-#26; Koster Dep. 112-115). "More importantly, Zlotnicki did not permit Harsco to use his invention without first obtaining from Harsco a promise that he would be compensated for it." (App. K-#8)

It is essential to note that Koster, Zlotnicki's supervisor and the person in charge of the RFP, is the only Harsco witness, whose deposition on issues critical to the resolution of this case is based on his personal knowledge. Koster's deposition, which was and is a part of the record, was totally ignored by the Court.

In his sworn testimony Koster stated that: he was probably the first one at Harsco to learn that the RFP even existed; he subsequently informed his superior (Jairett) (Koster Dep. 96); Zlotnicki was not present at those meetings (Koster Dep. 97); Zlotnicki became aware of the RFP in early

August 1982 (Koster Dep. 97); the Bridge for the RFP was provided by Israelis (Koster Dep. 95); Harsco decided to adapt under direction of Koster the existing army launcher to use with the Israeli bridge (Koster Dep. 97, 102, 104); the object was not to produce a design but to evaluate feasibility only (Koster Dep. 103) (emphasis supplied); the effort started after the end of July and "the first week was devoted to getting additional copies of the RFP" and finding documentation of the existing army launcher which Harsco was to adapt (Koster Dep. 104) and to moving offices (Koster Dep. 59); Zlotnicki informed Koster that he had an invention at the end of the first or middle of the second week (Koster Dep. 105), i.e. August 6-11, 1982 (note Zlotnicki's statements fixing the completion of the invention on the weekend, August 7/8, 1982, App. K-#8); after Zlotnicki disclosed his invention he was told that time could not be

spent on it (Koster Dep. 116); Zlotnicki was asked to look at the existing army launcher to do "moment calculation" (Koster Dep. 104-105); Harsco, not having capabilities to adapt the launcher was contacting some outside company (Koster Dep. 109-110); with respect to Harsco's adaptation of the existing army launcher Zlotnicki was asked to be available for making moment calculations (Koster Dep. 105, 115); there was no specific assignment given to Zlotnicki (Koster Dep. 115); prior to making his invention Zlotnicki was not directed to develop any idea different from the existing army launcher, was not instructed to develop any new idea, and was not instructed to come up with any idea at all (Koster Dep. 112, 114); nothing was asked of Zlotnicki with respect to the existing launcher except being available for calculation if requested and no task was given to him on how to modify the existng launcher (Koster Dep. 107-108).

The foregoing clearly establishes by Harsco's own longtime employee who was responsible for the RFP, that Zlotnicki had done no work for Harsco which would possibly result in any design, and even less any new design, and even less than that, in any invention. The statements of Koster also clearly indicate that the only task ever assigned to anyone at Harsco was to adapt the existing launcher and there is no indication whatsoever that anyone at Harsco was assigned to develop anything new or different from the existing launcher, and there is no indication of the existence of any team tasked with finding technical solutions. Most importantly, Zlotnicki was never doing any such work nor had he any duty to do such work. The only reasonable inference is that when he designed his launcher he was not doing it during or pursuant to his employment with Harsco.

It also is undisputed that Zlotnicki made his invention without Harsco's knowledge, request or permission and without being paid for it. He made some designs at home, when he was free to do anything he desired, without any cost to Harsco, and did that for himself, not Harsco. The fact that he disclosed the invention to Harsco is indicative that he intended to sell his invention and does not indicate that he intended to give it to Harsco without receiving payment for it. It is axiomatic in our law that:

> "An employee performing all the duties assigned to him in his department of service, may exercise his inventive faculties in any direction he chooses, with the assurance that whatever invention he may thus conceive, and perfect, is his individual property. There is no difference between the government and any other employer in this respect. ... The (employer) has no more power to appropriate a man's property invested in a patent than it has to take his property invested in real estate..." Solomons v. United States, 137 U.S. 342, 346. See also, United States v. Dubilier, 289 U.S. 178.

The above law clearly indicates that if an employer attempts to take private property without paying for it as it would have to pay to a non-employee, the employee is protected against such appropriation, and:

> "If one party procures the legal title to property from another by fraud or misrepresentation or concealment, or if a party makes use of some influential or confidential relation which he holds towards the owner of the legal title, to obtain such legal title from him upon more advantageous terms than he could otherwise have obtained it, equity will convert such party thus obtaining property into a trustee." Perry, Trusts and Trustees (7th Ed.), Section 166, p. 267.

It follows then that regardless of the language of the agreement signed by Zlotnicki, it was exacted from him under threats of disrupting his earning of a livelihood and with total disregard for the laws of this land guaranteeing to inventors that what they invent belongs to them, and that employers cannot appropriate private property in any other way but by paying for it.

In this case the Courts below totally disregarded the equities involved and thus clearly abused their discretion.

Under Pennsylvania law, no equitable relief will be granted to a party who has been guilty of unlawful or unconscionable conduct with regard to the very matter for which he seeks relief. Mosser Industires, Inc. v. Hager, 200 U.S.P.Q. 608, 615 (C.P.Pa., 1978), citing Stauffer v. Stauffer, 465 Pa. 558, 351 A.2d 236 (1976), citing cases.

Harsco boldly admitted that it threatened Zlotnicki with termination of employment if he did not sign the agreement which Harsco wrote for employees to sign at the beginning of employment and which Harsco thus intended to have prospective application only, and concealed from Zlotnicki that it intended to reach for his private property by use of this agreement. Therefore, under Pennsylvania law, and certainly recognized

by the Commonwealth Court (App. I) which was critical of Harsco's outrageous behavior, Harsco was guilty of "unclean hands" and "bad faith and unfair dealing". Thus, the Courts below abused their discretion and mandate by granting Summary Judgment in Harsco's favor, and deprived Zlotnicki of his constitutional rights to his property (Art. 1.8.8, Amm't V) and his right to trial by jury (Art. 1.8.8, Amm't VII).

THE COURT'S POSITION ON JOB DUTIES:

With a shocking disregard for Zlotnicki's version of the material facts and the testimony elicited from Zlotnicki's supervisor, both part of the record and both apparently ignored, the Court of Appeals for the Third Circuit reached the following erroneous conclusion in it's opinion:

> "Harsco assigned Zlotnicki to a team structured to conceptualize the development of the needed "launcher." Zlotnicki's assigned role in the early development process is a matter of dispute, but he did perform mathematical calculations that demonstrated that existing launchers were technically

incapable of meeting the RFP requirements." (App. B-3)

Given that the premise recited by the court i.e. that he was assigned to said team, is a basis for the Summary Judgment motion in that invention in the course of employment is an essential element of the finding, and given that Zlotnicki's contrary presentation of facts is the criteria by which the Court should have determined the appropriateness of Summary Judgment (Id.at 18-21), said Judgment in favor of Harsco should be reversed.

Furthermore, even if Zlotnicki was assigned to a team (which he was not) and if his assignment was to do some calculations on an existing army launcher - it is unreasonable to assume that the result of such a calculation would be a completely new mechanism. At best, a result of Zlotnicki's work was an opinion that the existing launcher would not work.

HARSCO'S LINE OF BUSINESS

HARSCO'S POSITION ON ITS LINE OF BUSINESS:

In their statement of material facts Harsco states that it is engaged in the concept, design and manufacture of military tracked vehicles. (App. J-#1) It is important to note that the bridge launcher invented by Zlotnicki is not a vehicle.

ZLOTNICKI'S POSITION ON HARSCO'S LINE OF BUSINESS

Zlotnicki's statement of material facts (App. K) states, inter alia, that while it is true that Harsco is engaged in the manufacture of military track vehicles, Harsco was not engaged in the "concept" and "design" of military track vehicles. (App. K-#1). Zlotnicki asserts, to the contrary, that Harsco is a build-to-print house and does some re-design work of already existing vehicles, but no original design work. (See also App. G-#6,7,8)

COURT'S POSITION ON HARSCO'S LINE OF BUSINESS

In granting Summary Judgment to Harsco, the Courts below made no mention whatsoever as to what Harsco's line of business even was.

It is Zlotnicki's position that if the Court has not indicated what Harsco's line of business is, and Zlotnicki has stated that it was not in Harsco's line of business to design or concept or invent but rather build-to-print vehicles (and a launcher is not a vehicle), and since it is undisputed that Zlotnicki designed and invented his launcher (not a vehicle) at home where he worked for himself, after work hours for Harsco, with nothing belonging to Harsco (App. G-#34; H-3; K-#8-10), and since Zlotnicki's version of the facts is to be taken as true, then Summary Judgment is inappropriate in that the Agreement on which Summary Judgment is based cannot be dispositive of this invention if there is not first a determination of whether

Zlotnicki was in the course of his employment when the invention was invented - as the Agreement mandates that - and Zlotnicki claims and asserts he was not.

LACK AND FAILURE OF CONSIDERATION FOR THE INVENTION

HARSCO'S POSITION AS TO WHETHER ZLOTNICKI RECEIVED CONSIDERATION:

In Harsco's Response to Zlotnicki's Statement of Material Fact, Harsco admitted paragraph 6 (App. M-#6) which states:

> Zlotnicki did not receive any additional compensation or other corresponding benefit or change in employee status as a result of his execution of the "Employee Agreement." (App. L-#6; M-#6)

ZLOTNICKI'S POSITION AS TO WHETHER HE RECEIVED CONSIDERATION:

In addition to Harsco's admission that Zlotnicki received no benefit as a result of signing the Employee Agreement, and Zlotnicki's assertion of same, Zlotnicki asserts that Harsco was, at the time of his hire, obligated to employ him for a reasonable period of time, and therefore continuation of employment with no other

benefit was not consideration for the signing of the Employee Agreement.

Zlotnicki provided consideration for the employment contract in the form of sacrificing other employment opportunities, abandoning his previous employment with Spring Garden College (App. B-2) and relocating his family to the York area from Philadelphia.

Therefore, Harsco already was obligated at initial employment to employ Zlotnicki at that juncture "for a reasonable period of time." Lubrecht v. Laurel Stripping Co., 42 Luz.L.Reg. 203 (1952); also McNulty v. Borden, Inc., 474 F.Supp. 1111 (E.D.Pa., 1979).

In February, 1983, the 1981 contract of employment was being performed, and he was performing his services, salary was being paid, and Harsco was already bound to employ Zlotnicki "for a reasonable period of time."

It follows then that on February 18, 1983, when the written agreement was ex-ecuted,

there was nothing left of the first agreement which could operate as consideration for the second. Neither a duty to keep Zlotnicki employed for a reasonable period of time nor salary already paid for past services could reasonably be considered as consideration for the new agreement...

> "Where a legal obligation exists, a cumulative promise to perform it, unless upon a new consideration, is a nullity. ... A promise cannot be conditioned on a promise to do a thing to which a party is already legally bound..." (Emphasis supplied)

Wimer v. Overseers, 104 Pa. 317, 320-321 (1883); Markson Brothers v. Redick, 66 A.2d 218 (Pa.Super., 1949).

Furthermore, a covenant contained in a written employment contract entered into, after employee's employment was fixed and complete by an oral agreement which did not provide for a later written agreement, and which agreement conferred no benefits on the employee, is invalid because contrary to public policy. W.N.O.W., Inc. v. Barr, et al, 77 York L. Record 174 (C.P. 1964) citing Markson, infra.

In Markson Bros. v. Redick, 66 A.2d 218 (Pa.Super, 1949), the Superior Court said at p. 220-221:

> "Defendant's verbal contract, being at will, did not substantially differ in the term of the employment from week to week, as provided by the written contract. The change therefore was neither a detriment to the plaintiff nor a benefit to the defendant and in itself did not supply a consideration for the written contract.
> ...
> ... the defendant failed to receive anything under the written contract which she did not already have under the verbal agreement. The obligation which plaintiff sought to impose on defendant under the writing, fell for lack of consideration and the court erred in treating it otherwise."

Continuation of employment, such employment already having been mutually bargained for, is not sufficient consideration to support an employee's assignment of invention or patent rights to an employer. Hewett v. Samsonite Corp., 32 Colo. App. 150, 507 P.2d 1119, 1121 (1973).

For the Court of Appeals to hold that Zlotnicki received this benefit at the time of signing the Agreement is a total missap-

prehension of the situation in view of the fact that Harsco was already bound to employ him for a reasonable period of time and Harsco admitted that no such consideration was given to Zlotnicki as a result of his signing the Agreement. (App. L-#6; M-#6). Furthermore, Zlotnicki's employment would have continued had he invented nothing.

THE COURT'S POSITION AS TO WHETHER THE ZLOTNICKI RECEIVED CONSIDERATION:

The Court has taken various positions with regard to the question of adequacy or even existence of consideration for the execution of the Agreement.

On May 4, 1983, the District Court stated in a Memorandum Opinion (App. F) with regard to this matter that it was "...unlikely that the employee agreement was executed ancillary to Zlotnicki's taking of employment or was accompanied by any change in employment status", citing Morgan's Home Equipment Corp. v. Martucci, 390 Pa. 618, 629, 136 A.2d 838, 845 (1957).

The District Court then went on to cite Capitol Bakers, Inc. v. Townsend, 426 Pa. 188, 231 A.2d 292 (1967), wherein the Pennsylvania Supreme Court found that

> "... a covenant in an employment contract executed twelve years after the initial taking of employment was not ancillary to the taking of employment and was without any change in employment status." (Emphasis added by the District Court). See also, Maintenance Specialties, Inc. v. Gottus, 314 A.2d 279 (Pa. 1967).

The District Court then went on to say that it

> "... seriously questions whether defendant's signing of the agreement on February 18, 1983 was ancillary to his taking of full time employment in early November 1982. If the signing of the agreement was not ancillary, the agreement will likely fail for lack of consideration since plaintiff admitted that defendant's salary increase and educational benefits were unrelated to defendant's signing of the agreement."

Thereafter, in an Opinion dated November 27, 1984, (App. D) in granting Harsco's Motion for Summary Judgment, the Court rejected the earlier analogy by the Court to cases dealing with restrictive covenants in

employment contracts. The Court then went on to say that the agreement was valid even though it was signed some 15 months after beginning of employment, and that a promise of continued employment is adequate consideration for the agreement. (App. D.8)

In light of the fact that Harsco admitted that Zlotnicki received no consideration or benefit for executing the agreement and given that Zlotnicki asserts the same thing, and given that disputed issues of material fact should be ascertained by resolving all inferences, doubts, and issues of credibility against the moving party (Ely, supra) which in this case is Harsco, and given the Court's function in considering a Motion for Summary Judgment is not to determine what the facts may be but whether any disputed material facts exist (Brown supra) - the Court abused its discretion in granting Summary Judgement in favor of Harsco.

TIME, PLACE AND CIRCUMSTANCES OF CONCEPTION AND INVENTION

HARSCO'S POSITION WITH REGARD TO TIME PLACE AND CIRCUMSTANCES OF CONCEPTION AND INVENTION:

Harsco stated in its Complaint, paragraph 5 that "On or about September, 1982, BMY assigned to Zlotnicki and several other BMY engineers the responsibility for designing a bridge launch mechanism..."

Thereafter in Harsco's Statement of Material Facts it is stated that "The four-bar linkage bridge launcher was conceived by Zlotnicki during his employment with Harsco;" (App. J-#12); denied in toto by Defenant (App. K-#12).

Harsco does not deny that Zlotnicki was the inventor of the four-bar concept (App. J-#8). Harsco did not verify allegations as to the time and place of invention, but merely concluded that it was during employment.

ZLOTNICKI'S POSITION WITH REGARD TO TIME, PLACE AND CIRCUMSTANCES OF CONCEPTION AND INVENTION:

It is undisputed that Zlotnicki invented the four-bar launcher alone on or about August 7-8, 1982 (App. K-#8; G-#34, 39). He further maintains in his Affidavit, (App. G-#42) that he conceived the invention on his own time, at home utilizing his own tools and materials over a weekend, and not at the direction of Harsco. (App. G-#33, 34) He also states that "no team 'brainstorming' committee, or any other combination of persons at BMY or elsewhere had anything to do with my invention." (App. G-#42)

Subsequently, in his Affidavit in Support of a Motion for Reconsideration, Zlotnicki stated the same facts (App. H-3-4).

THE COURT'S POSITION WITH REGARD TO TIME, PLACE AND CIRCUMSTANCES OF CONCEPTION

On August 30, 1983, the District Court issued a Memorandum Opinion (App. E) wherein it concluded that a material question of fact existed with regard to the problem Zlotnicki was allegedly assigned to solve and that this factual issue was central to

Harsco's alleged and asserted right of ownership of Zlotnicki's invention.

The Court pointed out that Zlotnicki disputed Harsco's factual contentions in his verified Memorandum in Opposition to Harsco's Motion for Summary Judgment and denied that he was assigned to a team of engineers and, denied that he was directed to develop, "concept" and design a bridge launch mechanism. The Court acknowledged Zlotnicki's contention that on his own time and without any obligation to do so, he conceived of a design for the bridge launch mechanism and voluntarily brought it to Harsco.

The Court found that the legal basis upon which Harsco could claim exclusive ownership required a finding that the specific problem covered by the invention was assigned to Zlotnicki, citing Koolvent Metal Awning Corp. v. Vamco Machine Co., 99 Pitts.L.J. 345 (Comm.Pl., 1951).

Thereafter, the Court concluded that a material question of fact existed with regard to Zlotnicki's job duties which mandated the denial of Harsco's Motion for Summary Judgment. (App. E-7)

Subsequent to the District Court's holding in its August 30, 1983 Memorandum (App. E) and without any "new" evidence, the Court issued a Memorandum Opinion (App. D) wherein it granted Summary Judgment.

The Court reached its conclusions based entirely on Harsco's contentions, ignoring not only Zlotnicki's Affidavit and Statement of Material Fact, but the prior opinion of the Court that stated that the precise problem Zlotnicki was assigned to solve was central to the resolution of Harsco's claim to ownership.

The Court thereafter in a subsequent Memorandum Opinion (App. C) stated that Zlotnicki "... may have established a genuine issue of fact ..." but that there

was "... no genuine issue of material fact; that is, a fact that affects the outcome of the litigation." (App. C-4)

If there is no determination that Zlotnicki was specifically assigned to solve a precise problem, the Court could not logically determine whether that problem was within the course of his employment. And further, it is without basis that the Court states "there can be no doubt that the invention resulted from, or was certainly suggested by his work for Harsco" (App. D-5) - when it is obvious and in the record that there is doubt - in fact - concrete evidence - that the invention did not result from nor was it suggested by his work for Harsco, which merely was to do a mathematical calculation.

What Zlotnicki was assigned to do, not what team he was or was not assigned to, is central to and necessarily preceding any determination as to the applicability of the

Employee Agreement to Zlotnicki's invention and the granting of Summary Judgment.

EMPLOYMENT AGREEMENT

HARSCO'S POSITION ON THE EMPLOYEE AGREEMENT

Harsco stated in its Complaint, paragraph 5, that Zlotnicki was assigned to design a bridge launch mechanism in September 1982. It is on the basis of this alleged assignment that Harsco claims that Zlotnicki's invention belongs to them. The Agreement which he signed requires that an employee be in the course of his employment in order for Harsco to obtain an invention by virtue of the agreement.

It is important to note that the September 1982 date given by Harsco in its Complaint is subsequent to the unchallanged invention date of August 7-8, 1982.

Seymour Bassman and Richard Koster, engineering managers at BMY, indicated in their depositions (Bassman Dep., 8; Koster Dep. 53, 54) that the Employee Agreement is

given to employees to sign at the time of hire, indicating Harsco's intention that the agreement have a prospective application.

Further corroborating Harsco's position and substantiating Zlotnicki's assertion that the Agreement was prospective in application is the testimony of Roger Snodgrass, Harsco/BMY's Vice President for Employee Relations and Administration, who swore to the truth of the following statements made at a hearing held on June 1, 1983 in a matter ultimately disposed of by the Commonwealt Court of Pennsylvania (App. I) in Zlotnicki's favor.[2] Unemployment

---

2 Q. All right. Now, Mr. Snodgrass, are you informing (inaudible) that all employees sign assignment agreements or otherwise they are not placed on the payroll?

A. I'm saying as far as the company is concerned this is a condition of employment.

Q. And from an employee relations point of view, since it is a condition of employment, isn't it something that the emloyee is informed of at the time of time.

A. That's our standard procedure.

Q. Well, would you agree with me that the assignment agreement from the point of

Compensation Board of Review Hearing of June 1, 1983, NT. 22a, 23a. (See App. I)

ZLOTNICKI'S POSITION ON THE EMPLOYEE AGREEMENT

The only logical and reasonable reading of the Employee Agreement is one giving a prospective application to its terms. Only the most strained and unreasonable reading completely disregarding intended application, actual application and rules of grammar could possibly support the conclusion that the Agreement was to be applied retrospectively.

---

view of B.M.Y. would be an important term and condition of employment?

A. Yes, sir, I would.

Q. And would you not agree that it is a term and condition that needs to be settled one way or the other with the employee?

A. Absolutely.

Q. And one that ought to be settled at the time of hire?

A. (Inaudible).

Q. And if not at the time of hire as soon as practical thereafter?

A. I would certainly agree with that, that is, as a matter of fact of what our policy (inaudible), that is, handled at the time of hire.

Firstly, the Agreement was signed a year and a half after Zlotnicki's hire. The Agreement was not a condition of his initial employment. Thus, when he signed said Agreement it could not reasonably be considered as an agreement which in any way related to past employment or the salary received in connection therewith. All other employees, and logically so, were asked to sign at the beginning of employment (see testimony of Bassman, Koster, and Snodgrass, supra). Certainly it is not logical that an employee would sign away his rights to an invention in consideration of wages he earned before inventing it.

Secondly, the language of the Agreement is obviously present and future tense, not past tense. A review of the Agreement is demonstrative. (App. N and P)

The preamble (overlooked by the Court) sets the tone for the entire Agreement. In the first sentence we see the words: "In

consideration of my employment with Harsco ..." This is entirely present tense with an implication of future tense. Zlotnicki already had employment with Harsco, without this agreement, and without the invention. The only reasonable and logical reading of this Agreement's wording would be to ascribe future implications because it is only in consideration of his future employment that it could have been signed.

The first sentence continues:

> "... and of the further continuation of such employment and of the salary and wages paid to me in connection with such employment ..."

The mere concept of "further continuation" clearly means in the future, not in the past -- and therefore the only reasonable and logical meaning would also be the "wages paid to me in continuation of such (future) employment". Correspondingly, "during my employment" means "during my (future) employment."

After the preamble, paragraph one begins "I will communicate ... all inventions ... which result from work I may do ..." (emp. sup.). If this were to relate to Zlotnicki's invention it more properly would have to state -- "... any work I may have done." However, these words were not used. "I will"and "I may do" indicates a clear intention for a future acts, and so this Agreement is clearly future tense exclusively.

Accordingly, paragraphs 1, 2, 3 and 4 are all exclusively and explicitly in the future tense, and paragraphs 5, 6, 7, and 8 are in the present and future tense.

It is extremely important to note that the invention in question at the time of the signing of this Agreement, had a name (4 Bar Bridge Launcher). Yet no mention was made of the invention at all, neither by name nor by concept.

This makes no sense if one tries to make this apply to Zlotnicki's past invention. Thus, it is patently clear that even under the most strained and unreasonable reading, the Agreement could not possibly relate to Zlotnicki's prior invention. The foregoing reasoning is identical to reasoning of the Rotary Lift Co. v. Clayton, 127 F.Supp. 176 (D.C. Mass. 1954, infra) (App. R).

In the instant case there is no dispute that this Agreement was exclusively drafted by Harsco and therefore must be construed in Zlotnicki's favor. Burns Manufacturing Co. v. Bohem, 356 A.2d 763 (Pa. 1976).

Furthermore, the Pennsylvania Supreme Court in White Heat Products Co. v. Thomas, 266 Pa. 551, 555 (1920) clearly mandated that:

> "...(I)n cases of this kind where the product of an inventive mind is said to be appropriated under an Agreement to assign to another, the language of the Agreement must be clear and show an unmistakable intention that the particular matter covered by the invention or patent is within the intention of the parties."

-- not one or the other -- but both. See also, Hirshhorn v. Mine Safety Appliances Co., 106 F. Supp. 594, 601 (W.D. Pa., 1952) aff'd 203 F.2d 279, cert. denied 349 U.S. 866 (1953).

Moreover, the Third Circuit Court of Appeals has long held in invention assignment cases that:

> "The bill being for the specific performance of the contract, such contract must be clearly and unequivocably proved, as stated. As proved, its terms as to subject-matter, consideration and all other essentials must be explicit and unambiguous." (Emphasis supplied)

Pressed Steel Car Co. v. Hansen, 137 F. 403, 406 (3rd Cir.) cert. denied, 199 U.S. 608 (1905).

It is obvious that the Harsco Agreement is a standard agreement. Harsco has referred to it throughout the case as the Standard Employee Agreement and the Court of Appeals even adopted Harsco's terminology (App. B-2). Harsco did not create this

Agreement to deal specifically with Zlotnicki's invention. It is also clear that this Agreement was made to be and is prospective and logically so since it was given to all other employees to sign at the time they were hired. (See also, Rotary Lift, App. R) The language talks only of future obligations and spells out nothing with particularity either in subject matter or applicability. Furthermore, even if the Agreement were retrospective, for which no logical, reasonable or equitable justification exists, there first must be proof that invention was conceived during and within the course of employment, and that there was a duty to assign at the time of invention. This is a jury question which has been usurped and decided by the Court erroneously.

Lastly, in construing the assignment, the whole instrument must be considered and a meaning given to each part, when possible,

that is consistent with the meaning of every part, and

> "When an assignment of a patent is susceptible of two constructions and is made so by the ambiguity of its words, the rule is well established that it should be given that construction which prevails most strongly against the party responsible for its terms and chargeable with its obscurity." (Emphasis supplied)

Lock Joint Pipe Co. v. Melber, 234 F 319, 324 (CA 3, 1916)

THE POSITION OF THE COURT ON THE EMPLOYEE AGREEMENT

In its Opinion dated November 27, 1984, the District Court held:

> "We find that there is no genuine issue of material fact concerning the execution of this agreement, see Fed. R. Civ.P. 56(c) and grant Summary Judgment in favor of Harsco."

(App. D-1-2)

In spite of the Court's recognition that there was a dispute whether Zlotnicki was instructed to develop this idea, dispute as to Zlotnicki's exact role in development, and whether Harsco gave Zlotnicki any assistance, the Court concludes that the

invention is covered by paragraph one of the agreement (App. D-4-5)

The Court, in spite of Zlotnicki's sworn affidavit that he invented the launcher at home, on his own time, with his own materials, and under no order or direction from the Harsco, erroneously concludes:

> "... it was created during the time he was employed by Harsco although Zlotnicki may have devoted some of his own time to developing it." (App. D-5)

The Court goes on to reject Zlotnicki' assertion that this Agreement should be prospectively applied (App. D-5) in spite of the fact that, a) it is the only logical reading of the agreement, b) it is prospective for all other employees, and c) all other employees received the agreement at the time of hire.

In spite of that the court "... concluded that Zlotnicki's interpretation was not a reasonable one," in its Opinion dated February 13, 1985. (App. C-20)

On appeal, it is of particular importance to note that the Court of Appeals did not address the issue of what "during (his) employment" actually means in this case. Unless it can be shown that Zlotnicki's invention was made "during (his) employment" and "within the scope of employment" and that he had either a duty to invent or a duty to assign at the time of invention, then irrespective of whether the Agreement is applied prospectively (as Zlotnicki, logic, his superiors, and custom at Harsco asserts it should be) or retrospectively, it cannot be applied to Zlotnicki without first having a determination as to the underlying basis of its applicability to this particular invention, and this particular inventor.

Without determining this issue, the Court of Appeals should not have been able to conclude that the Agreement applied to Zlotnicki's invention.

Further, the Courts below dismissed without discussion Zlotnicki's unopposed statement that it was his intention and understanding that the Agreement was not retroactive and that it did not reach the launcher invention, (App. K-#16, 17; G-#51) in spite of case law which states that: "The primary rule of construction of an agreement is that the intent of the parties is controlling," and that intention is for jury determination. Pickens v. Cunningham, 22 D&C 3d 40, 45 (C.P. Mercer, 1981). See also: Slonaker v. P.G. Pub. Co., 338 Pa. 292, 13 A.2d 48, 50 (1940). Thus, Zlotnicki was deprived of having a jury's determinatin of this issue in violation of his constitutional right (Amm't VII).

Prior to Zlotnicki's execution of the Agreement the invention had been known by its particular name and line drawings and both written and verbal description

existed. The requirement of the Supreme Court of Pennsylvania is that "the "particular matter covered by the invention or patent (be) within the intention of the parties." White Heat Products, supra Zlotnicki clearly alleged that his intention was that the launcher not be covered by the Agreement (App. K-#16, 17; Answer to the Complaint Sec. 8) The writer of the Agreement (Harsco) could have named the invention to indicate that the launcher was intended to be subject to the Agreement.

In the closely analogous decision of Rotary Lift supra (App. R, infra) the trial court ruled that an Agreement to assign did not apply to an invention conceived prior to the execution, and especially when signed by an employee a long time after first being hired. (Emphasis supplied)

It is instructive here to review the Rotary Lift Court's analysis of the facts and interpretation of the Assignment Agreement contained in Appendix R, infra.

The Court apparently applied the legal principal that "equity will lend its aid only in enforceing those terms which the parties themselves have made clear and definite", citing Monsanto Chemical Works v. Jaeger, 31 F.2d 188, 191 (W.D.Pa., 1929).

In both cases, the language was drafted by the employer, and the agreements were executed after commencement of employment, and after the invention was created.

For comparison purposes, the Rotary Lift case is extremely close to the facts of the instant case, and therefore, the Rotary Lift analysis should be followed.

Paragraph 1 of Employee Agreement states that the employee will communicate to Harsco "... all inventions made or conceived by me during my employment ..." (Note: passive voice). In Rotary Lift, the Agreement stated "... inventions conceived or developed by me during the entire term of my employment ... and for a period of one year

thereafter ..." 127 F.Supp. at 177. (Emphasis added) We note that the Court of Appeals ascribed the "entire term" to Zlotnicki's Agreement. (App. B-7)

The Pennsylvania Courts have closely scrutinized the business of an employer as compared to the nature of the inventon of the employee. See White Heat Products Co. v. Thomas, supra 109 A. at 686; Triumph Electric Co. v. Thullen, 228 F. 762, 235 F. 74, 75 (3d Cir. 1916), where the Circuit Court noted that the resolution of the fine and technical distinctions by the parties are questions of fact.

The same kinds of distinctions are present in this case. Thus, it is error to give retroactive effect to the Employee Agreement, when that remains substantially undefined and when there is a substantial dispute over the meaning of these terms, a dispute which is the province of a jury.

Lastly, Courts below failed to recognize that the text of the Agreement presented to the Courts by Harsco as the only document Zlotnicki signed, was not an agreement to anything. On February 11, 1983, Zlotnicki agreed to sign the Harsco Agreement only if his reservations, which Harsco instructed him to attach, were either approved or negotiated (App. K-#16, 17; Koster Dep. 80, 85; Bassman Dep. 48-50, 78; Jairett Tr. 39, 42, 65, 69, 75). The Agreement Zlotnicki signed consisted of not only the Harsco Standard Agreement but Zlotnicki's reservations solicited by Harsco and attached to the Agreement, also signed by Zlotnicki with the understanding that Harsco did not have the option to reject his version of the Agreement, but could either approve it or further negotiate it. The Courts below never reviewed the entire Agreement Zlotnicki signed; the Courts only reviewed the first page of this Agreement,

which still was subject to negotiation, and by no means was a final one. Harsco's removing the second and third pages of the Agreement that Zlotnicki allegedly agreed to and then seeking the enforcement of only page one - when it was at Harsco's insistance that Zlotnicki attach his objections - his own version of the Agreement, also signed, certainly led the Commonwealth Court of Pennsylvania, which was possessed of a substantially similar record (including the Transcript of Preliminary Injunction Hearing in the District Court, up to the Court of Appeals decision) to draw the reasonable conclusion that:

> "The fact that claimant was terminated so soon after he signed the agreement was certanly relied upon by the Board in adjudging the credibility of the claimant and resolving conflicts in the testimony. Such an action is

substantial evidence, one inference from which is that the termination was not the result of claimant's misconduct but the culmination of a premeditated course of action engaged in by BMY to gain all rights to the device and drive claimant from his livelihood." (Emphasis supplied) (App. I-20 n.10)

It is striking and shocking that two courts came to such different conclusions having essentially the same evidence and facts available. This alone should provide justification for the Supreme Court to reverse the lower Courts' decisions and remand the case to a District Court.

CONCLUSION

For these reasons, a Writ of Certiorari should issue to review the Summary Judgment and Opinions of the Courts below.

Respectfully Submitted,

ROBERT B. B. SCHATZ & LAWRENCE CORSON

APRIL 23, 1986